

October 31, 2014

Spire developer poised to lose site as today's deadline looms

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The site where the Spire was planned. Bloomberg News photo

Irish developer Garrett Kelleher is poised to fail today in his effort to relaunch the Spire, giving another developer the inside track to take control of the prime development site.

Chicago lawyer Thomas Murphy, who represents Mr. Kelleher, told officials in an email this morning that his client almost certainly will miss a deadline today to pay off Related Midwest LLC, his biggest creditor in a bankruptcy case related to the Spire site at 400 N. Lake Shore Drive.

Under a plan approved in Bankruptcy Court, to keep [control](#) of the property, one of Mr. Kelleher's ventures has until the end of the day today to pay Related more than \$109 million. Alternatively, Mr. Kelleher's venture could extend the payment until March 31 by paying a \$22 million fee and increasing Related's claim to \$114 million.

But Mr. Kelleher isn't likely to secure funding to pay off Related in full or to extend the loan.

'DOES NOT SEEM LIKELY'

“Any bridge loan does not seem likely at this point and without an extension, equally unlikely, the property will revert to Related who bought the first mortgage from the Irish government,” Mr. Murphy wrote in an email to Deputy Mayor Steven Koch and Andrew Mooney, head of the Department of Planning and Development.

Mr. Murphy declined to comment. Mr. Kelleher's partner in the effort to pull the Spire site out of bankruptcy and develop the 150-story residential building there, Steven Ivankovich of Chicago-based Atlas Apartment Holdings LLC, could not be reached.

Executives with Stonebeck Capital LLC, a New York real estate lender that committed to loaning money to one of Mr. Ivankovich's ventures to pay off the Spire's creditors, did not respond to an email seeking comment.

CALATRAVA DESIGN LIKELY DEFUNCT

Unless there's a sudden shift before midnight tonight, Related will be in position to own the property. The firm doesn't plan to develop the Spire, meaning the curving design Spanish architect Santiago Calatrava came up with for the Spire is likely defunct.

A Related spokeswoman didn't return a call.

The unbuilt Spire project went into Bankruptcy Court last year after Related acquired the delinquent \$96.5 million loan on the property and filed an involuntary Chapter 11 petition.

The Tribune first reported Mr. Kelleher's likely inability to secure financing earlier today.